

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

*In the Matter of:*

Holland Post Office  
Holland, Iowa 50642

Docket No. A2012-66

**UNITED STATES POSTAL SERVICE**  
**COMMENTS REGARDING APPEAL**  
(January 9, 2012)

On November 14, 2011 the Postal Regulatory Commission (Commission) docketed a petition for review of the Postal Service's determination to close the Holland Post Office in Holland, Iowa.<sup>1</sup> The petition was filed by Gary Stoeher, Jr., City Clerk (Petitioner). On November 29, the Commission issued a Notice of Filing under 39 U.S.C. § 404(d). On November 30, 2011, the Commission issued Order No. 1008, its Notice and Order Accepting Appeal and Establishing Procedural Schedule, pursuant to 39 U.S.C. § 404(d). The administrative record was filed with the Commission on November 29, 2011. Petitioner filed a Participant's Statement in this docket on December 27, 2011.

The correspondence received by the Commission raises one main issue, that of economic savings. As reflected in the administrative record of this proceeding, the Postal Service gave this issue serious consideration. In addition, the Postal Service considered (1) the effect on postal services, (2) the impact upon the Holland community,

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<sup>1</sup> This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

and (3) the impact on employees. Accordingly, the determination to discontinue the Holland Post Office should be affirmed.

### **Background**

The Final Determination To Close the Holland, IA Post Office and Establish Service by rural route service under the administrative responsibility of the Grundy Center Post Office, 5 miles away, as well as the administrative record, indicate that the Holland Post Office provides EAS-11 level service from 7:45 a.m. to 10:15 a.m. Monday - Friday, from 7:45 a.m. to 9:15 a.m. on Saturday, Saturday to 112 post office box customers or general delivery customers and 124 delivery customers. The Holland Post Office also offers lobby hours of 7:30 a.m. to 9:30 p.m. Monday through Friday and Saturday lobby hours of 7:30 a.m. to 4 p.m. Item 15, Post Office Survey Sheet <sup>12</sup>; Item 47, Final Determination (FD) at 2. The postmaster retired on June 30, 2010 and an OIC was installed to operate the office. Item 47, FD at 2.

The retail window averaged 12 transactions accounting for 12 minutes of retail workload per day. Item 47, FD at 2. Revenue was \$36,696 in FY 2008 (96 revenue units); \$31,578 in FY 2009 (82 revenue units); and \$25,078 in FY 2010 (65 revenue units). Item 47, FD at 2. There is one meter or permit customer. Item 47, FD at 2. Upon implementation of the final determination, delivery and retail services will be provided by the Grundy Center Post Office<sup>3</sup>, an EAS-18 level office, which has 100

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<sup>2</sup> In these comments, specific items in the administrative record are referred to as "Item \_\_\_\_."

<sup>3</sup> The Grundy Center Post Office is not a candidate facility within the Retail Access Optimization Initiative (RAOI). See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1.

available Post Office Boxes. Item 33, Proposal at 2; Item 47, FD at 2. Retail hours are 8:30 a.m. to 4:30 p.m. Monday through Friday and no Saturday hours. Item 47, FD at 2. Delivery will be to cluster box units (CBUs) which are free standing, individually locked mail compartments units that will be installed and maintained at no cost to postal customers. Item 47, FD at 2; Item 33, Proposal at 2.

The Postal Service followed the proper procedures which led to the posting of the Final Determination. All issues raised by the customers of the Holland Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and Final Determination, customers received notice through other means. A letter was distributed on May 4, 2011 seeking opinions on a change to rural service from the Grundy Center Post Office. Item 21, Letter to Customers at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item 22. In addition, representatives from the Postal Service were available at the Holland City Hall for a community meeting on May 19, 2011, to answer questions and provide information to customers. Item 47, FD at 2; Item 21, Letter at 1; Item 24, Community Meeting Roster. Customers received formal notice of the Proposal and FD through postings at nearby facilities.

The Proposal was posted with an invitation for public comment at the Holland Post Office lobby and Grundy Center Post Office, from June 27, 2011 to August 28, 2011. Item 47, FD at 2; Item 31, Instructions to OIC/Postmaster to Post Proposal; Item 32, Date stamp Proposal. The Final Determination was posted starting on October 5,

2011 and is still posted. Item 48, Instructions on Posting; Item 49, Round date stamped FD.

In light of the postmaster vacancy due to retirement, low revenue,<sup>4</sup> the variety of delivery and retail options (including nearby retail service), minimal impact upon the community,<sup>5</sup> the expected financial savings,<sup>6</sup> and the minimal effect on the employees<sup>7</sup> the Postal Service issued the Final Determination.<sup>8</sup> Regular and effective postal services will continue to be provided to the Holland community in a cost-effective manner upon implementation of the Final Determination. Item 47, FD at Part VI.

The economic issue raised by the Petitioner is addressed in the paragraphs which follow as well as other issues that were considered by the Postal Service.

### **Economic Savings**

The Postal Service properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The estimated annual savings associated with discontinuing the Holland Post Office are \$36,525. Item 47, FD at Part IV.

The Petitioner questions the economic savings of the proposed discontinuance and suggests alternative cost considerations. Specifically, Petitioner suggests locating a postal facility in City Hall, thereby reducing lease costs. The Postal Service has broad

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<sup>4</sup> Item 47, FD at 2.

<sup>5</sup> Item 47, FD, at Part II.

<sup>6</sup> Item 47, FD, at Part IV.

<sup>7</sup> Item 47, at Part III

<sup>8</sup> Item 47, FD.

experience with evaluating the economics of post offices, but the focus of this administrative action concerns whether service can be provided effectively and efficiently to the Holland community. Item 47, FD, Part I. However, the Postal Service is only responsible for formulating a specific proposal and evaluating it in the context of Title 39, U.S. Code, and applicable regulations. In this case, the Postal Service has determined that carrier service, coupled with service at the Grundy Center Post Office, is a reasonable solution that will yield economic savings. In so doing, the Postal Service is not required to evaluate and reject alternative proposals. In this case, the Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations.

Petitioners question the savings estimate, on grounds that the Postmaster has already retired and the current employee is paid less than a career employee. However, the economic savings calculation conducted as a part of a discontinuance study is forward-looking; that the Postal Service may have paid less in salary and benefits over the past years does not mean that it could count on those savings annually in the future. If the Holland Post Office closes, one career slot will be eliminated. If the Post Office is not discontinued, that slot would have been filled with a career employee, and the salary and benefits to be paid would be as shown for a postmaster.

## **Effect on Postal Services**

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii), and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Holland Post Office on postal services provided to Holland customers. The closing is premised upon providing regular and effective postal services to Holland customers.

During the discontinuance process, customers raised the issue of the effect on postal services of the Holland Post Office. They note the central location and express concern about traveling to Grundy Center Post Office. They also express concern for service provided by the rural carrier. These concerns were considered by the Postal Service.

The effect of closing the Holland Post Office on the availability of postal services to the Holland customers was considered extensively by the Postal Service. Item 47, FD at 2; Item 33, Proposal at 3. Upon the implementation of the Final Determination, services provided by the Holland Post Office, such as the sale of stamps, envelopes, postal cards, and money orders, will be available at the Grundy Center Post Office located 6 miles away as well as the rural carrier. Item 47, FD at 2; Item 33, Proposal at 2. Rural route service will be provided to cluster box units (CBU) for the P.O. Box holders. Item 47, FD at 2. In hardship cases, delivery can be made to the home of a customer. Item 47, FD Part I, Concern and Response 12, 41.

Most transactions do not require meeting the carrier at the delivery receptacle. Item 47, FD, Part VI. Customers may also purchase stamps by mail, arrange for package mailing with the carrier, and conduct postal money orders through transactions

through the rural carrier. Item 47, FD Part I, Concern 41; Item 21, Letter at 4.

Packages that fit will be delivered to customers' mail receptacles, for those packages that do not fit, the carrier will travel up to one-half mile to deliver the packages to a convenient place (such as a porch or carport) that the customer designates. Item 47, FD, Part I, Concern 12. Customers can also request special services provided by the post office from the carrier. Item 21, Letter at 4; Item 47, FD Concern 41.

Customers also asked about placement of the CBUs and cost to them. The Postal Service explained that there was no cost to them for the CBUs and placement of the CBUs would take into consideration safety and property availability. Item 25, Community Meeting Analysis Concern 4; Item 47, FD Concern 28.

Thus, the Postal Service has considered impact of closing the Holland Post Office upon the provision of postal services to the Holland customers, and has properly concluded that the Holland customers will continue to receive regular and effective service. Rural route service for P.O. Box customers that elect to receive delivery by rural carrier will benefit from the installation of CBUs. Item 47, FD, Part I at 8. Accordingly, the Postal Service has properly considered the impact of closing the Holland Post Office, and has properly concluded that the Holland customers will continue to receive regular and effective mail service.

### **Effect Upon the Holland Community**

The Postal Service is obligated to consider the effect of its decision to close the Holland Post Office upon the Holland community. 39 U.S.C. § 404(d)(2)(A)(i). While

the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to discontinue a Post Office.

Holland is an incorporated community located in Grundy County, Iowa with a mayor and council. Item 47, FD at Part II. The Grundy County Sheriff's Department provides police protection, and the Holland fire department provides fire protection. Item 47, FD at Part II; Item 16, Community Survey Sheet. In general, the Holland residents may travel elsewhere for other supplies and services and may work in local businesses or commute. Item 47, FD, Part II.

The Postal Service explained that the community identity will be preserved by continuing the use of the ZIP Code and Post Office name in addresses. Item 47, FD, Part I, Concern 39 and 40. Nonpostal services will be available at the Grundy Center Post Office. Item 47, FD, Part II. Communities generally require regular and effective postal services and these will continue to be provided to the Holland community. Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Holland Post Office on the Holland community.

### **Effect on Employees**

As documented in the record, the impact on postal employees is minimal. The postmaster position became vacant when the postmaster retired on June 30, 2010.



Item 47, FD Part III. Any non-career postmaster relief may be separated from the Postal Service. No other postal employee will be adversely affected.

Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Holland Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

### **Conclusion**

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Holland Post Office on the provision of postal services and on the Holland community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Holland customers. Item 47, FD. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A).

The Postal Service respectfully requests that the determination to close the Holland Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno  
Chief Counsel, Global Business & Service  
Development

Gary W. Bigelow  
Attorney

4200 Wake Forest Rd.  
Raleigh, NC 27668-9000  
919-501-9439, Fax(9326)  
[gary.w.bigelow@usps.gov](mailto:gary.w.bigelow@usps.gov)  
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